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ATTORNEY GENERAL
DEPARTMENT OF JUSTICE

33 CAPITOL STREET
CONCORD, NEW HAMPSHIRE 03301-6397

GORDON J. MACDONALD
ATTORNEY GENERAL



ANN M. RICE
DEPUTY ATTORNEY GENERAL

June 5, 2017

His Excellency, Governor Christopher T. Sununu
and the Honorable Council
State House
Concord New Hampshire 03301

Your Excellency and Members of the Council:

REQUESTED ACTION

Authorize the Department of Justice to enter into a **sole source** contract with National Medical Services, Inc. 3701 Welsh Rd., Willow Grove, PA (Vendor #74905) in the amount of \$400,000 to provide toxicology testing services for the Department of Justice, Office of the Chief Medical Examiner (OCME), effective from July 1, 2017 through June 30, 2019 upon approval from the Governor and Executive Council. 100% General Funds.

Funding is available in account #02-20-20-200510-2614, Department of Justice, Office of the Medical Examiner as follows with the authority to adjust encumbrances in each of the State fiscal years through the Budget Office if needed and justified upon the availability and continued appropriation of funds in the future operating budget.

<u>Class</u>	<u>Description</u>	<u>SFY 2018</u>	<u>SFY 2019</u>
234-500783	Autopsy Expense	\$200,000	\$200,000

EXPLANATION

This is a sole source request. The State does not have the requisite laboratory capabilities to meet the OCME's need for comprehensive toxicology testing and litigation support services. National Medical Services (NMS) is known to be the premier forensic toxicology-testing laboratory in the country. It has consistently provided high quality service and expeditious turn-around of test results, which is critical for timely cause-of-death determinations in overdose deaths, homicides, suspicious deaths, and vehicular fatalities. The department anticipates issuing an RFP prior to negotiating a new contract for these services in 2019.

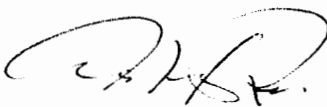
The Office of Chief Medical Examiner is located within the Department of Justice and is under the direction and control of the Attorney General pursuant to RSA 611-B. The OCME has the authority to “call upon and employ such persons, skilled science, pathology, or otherwise, as are necessary for the performance of duties.” RSA 611-B:9. Because the State does not have the capabilities to perform comprehensive toxicology testing, a necessary component of many autopsies and death investigations, the OCME must contract for those services.

In the State’s experience, NMS has consistently provided high quality service, expeditious turn-around, and credible and supportable opinions. The OCME and other state agencies have utilized NMS for toxicology testing on numerous occasions in the past and have found it to be an excellent provider. The State uses the services of NMS in the most important and complex criminal cases involving homicides, suspicious deaths, drug overdose deaths and vehicular fatalities. The integrity and accuracy of its forensic science work is essential to both the criminal justice and the public health systems.

The Department of Justice would like to continue contracting with (NMS) for an additional two years (SFY 18 and SFY 19). The DOJ requests the approval of this sole source contract for this additional two years and will plan on issuing an RFP prior to the negotiating of a new contract for these services at the end of SFY 2019.

Please let me know if you have any questions concerning this request. Your consideration is greatly appreciated.

Respectfully submitted,



Gordon J. MacDonald
for Gordon J. MacDonald
Attorney General

#1728304

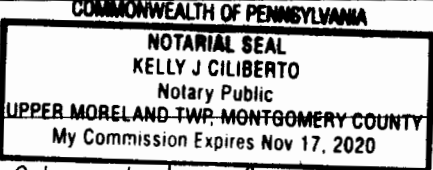
Notice: This agreement and all of its attachments shall become public upon submission to Governor and Executive Council for approval. Any information that is private, confidential or proprietary must be clearly identified to the agency and agreed to in writing prior to signing the contract.

AGREEMENT

The State of New Hampshire and the Contractor hereby mutually agree as follows:

GENERAL PROVISIONS

1. IDENTIFICATION.

1.1 State Agency Name Department of Justice		1.2 State Agency Address 33 Capitol Street Concord NH 03301	
1.3 Contractor Name National Medical Services, Inc.		1.4 Contractor Address 3701 Welsh Road Willow Grove, PA 19090	
1.5 Contractor Phone Number (215) 657-4900	1.6 Account Number 02-20-20-200510-2614-500783	1.7 Completion Date June 30, 2019	1.8 Price Limitation \$400,000
1.9 Contracting Officer for State Agency Kathleen Carr		1.10 State Agency Telephone Number (603)-271-1234	
1.11 Contractor Signature <i>Pierre G. Cassigneul</i>		1.12 Name and Title of Contractor Signatory PIERRE G. CASSIGNEUL, CEO	
1.13 Acknowledgement: State of <u>PA</u> , County of <u>Montgomery</u> On <u>MAY 11, 2017</u> , before the undersigned officer, personally appeared the person identified in block 1.12, or satisfactorily proven to be the person whose name is signed in block 1.11, and acknowledged that s/he executed this document in the capacity indicated in block 1.12.			
1.13.1 Signature of Notary Public or Justice of the Peace [Seal] <i>Kelly J. Ciliberto</i>			
1.13.2 Name and Title of Notary or Justice of the Peace <i>Kelly Ciliberto, Sr. Executive Administrative Assistant</i>			
1.14 State Agency Signature <i>Kathleen Carr</i> Date: <u>5-19-17</u>		1.15 Name and Title of State Agency Signatory Kathleen Carr, Director of Administration	
1.16 Approval by the N.H. Department of Administration, Division of Personnel (if applicable) By: _____ Director, On: _____			
1.17 Approval by the Attorney General (Form, Substance and Execution) (if applicable) By: <i>[Signature]</i> On: <u>6/2/17</u>			
1.18 Approval by the Governor and Executive Council (if applicable) By: _____ On: _____			

2. EMPLOYMENT OF CONTRACTOR/SERVICES TO BE PERFORMED. The State of New Hampshire, acting through the agency identified in block 1.1 ("State"), engages contractor identified in block 1.3 ("Contractor") to perform, and the Contractor shall perform, the work or sale of goods, or both, identified and more particularly described in the attached EXHIBIT A which is incorporated herein by reference ("Services").

3. EFFECTIVE DATE/COMPLETION OF SERVICES.

3.1 Notwithstanding any provision of this Agreement to the contrary, and subject to the approval of the Governor and Executive Council of the State of New Hampshire, if applicable, this Agreement, and all obligations of the parties hereunder, shall become effective on the date the Governor and Executive Council approve this Agreement as indicated in block 1.18, unless no such approval is required, in which case the Agreement shall become effective on the date the Agreement is signed by the State Agency as shown in block 1.14 ("Effective Date").

3.2 If the Contractor commences the Services prior to the Effective Date, all Services performed by the Contractor prior to the Effective Date shall be performed at the sole risk of the Contractor, and in the event that this Agreement does not become effective, the State shall have no liability to the Contractor, including without limitation, any obligation to pay the Contractor for any costs incurred or Services performed. Contractor must complete all Services by the Completion Date specified in block 1.7.

4. CONDITIONAL NATURE OF AGREEMENT.

Notwithstanding any provision of this Agreement to the contrary, all obligations of the State hereunder, including, without limitation, the continuance of payments hereunder, are contingent upon the availability and continued appropriation of funds, and in no event shall the State be liable for any payments hereunder in excess of such available appropriated funds. In the event of a reduction or termination of appropriated funds, the State shall have the right to withhold payment until such funds become available, if ever, and shall have the right to terminate this Agreement immediately upon giving the Contractor notice of such termination. The State shall not be required to transfer funds from any other account to the Account identified in block 1.6 in the event funds in that Account are reduced or unavailable.

5. CONTRACT PRICE/PRICE LIMITATION/PAYMENT.

5.1 The contract price, method of payment, and terms of payment are identified and more particularly described in EXHIBIT B which is incorporated herein by reference.

5.2 The payment by the State of the contract price shall be the only and the complete reimbursement to the Contractor for all expenses, of whatever nature incurred by the Contractor in the performance hereof, and shall be the only and the complete compensation to the Contractor for the Services. The State shall have no liability to the Contractor other than the contract price.

5.3 The State reserves the right to offset from any amounts otherwise payable to the Contractor under this Agreement those liquidated amounts required or permitted by N.H. RSA 80:7 through RSA 80:7-c or any other provision of law.

5.4 Notwithstanding any provision in this Agreement to the contrary, and notwithstanding unexpected circumstances, in no event shall the total of all payments authorized, or actually made hereunder, exceed the Price Limitation set forth in block 1.8.

6. COMPLIANCE BY CONTRACTOR WITH LAWS AND REGULATIONS/ EQUAL EMPLOYMENT OPPORTUNITY.

6.1 In connection with the performance of the Services, the Contractor shall comply with all statutes, laws, regulations, and orders of federal, state, county or municipal authorities which impose any obligation or duty upon the Contractor, including, but not limited to, civil rights and equal opportunity laws. This may include the requirement to utilize auxiliary aids and services to ensure that persons with communication disabilities, including vision, hearing and speech, can communicate with, receive information from, and convey information to the Contractor. In addition, the Contractor shall comply with all applicable copyright laws.

6.2 During the term of this Agreement, the Contractor shall not discriminate against employees or applicants for employment because of race, color, religion, creed, age, sex, handicap, sexual orientation, or national origin and will take affirmative action to prevent such discrimination.

6.3 If this Agreement is funded in any part by monies of the United States, the Contractor shall comply with all the provisions of Executive Order No. 11246 ("Equal Employment Opportunity"), as supplemented by the regulations of the United States Department of Labor (41 C.F.R. Part 60), and with any rules, regulations and guidelines as the State of New Hampshire or the United States issue to implement these regulations. The Contractor further agrees to permit the State or United States access to any of the Contractor's books, records and accounts for the purpose of ascertaining compliance with all rules, regulations and orders, and the covenants, terms and conditions of this Agreement.

7. PERSONNEL.

7.1 The Contractor shall at its own expense provide all personnel necessary to perform the Services. The Contractor warrants that all personnel engaged in the Services shall be qualified to perform the Services, and shall be properly licensed and otherwise authorized to do so under all applicable laws.

7.2 Unless otherwise authorized in writing, during the term of this Agreement, and for a period of six (6) months after the Completion Date in block 1.7, the Contractor shall not hire, and shall not permit any subcontractor or other person, firm or corporation with whom it is engaged in a combined effort to perform the Services to hire, any person who is a State employee or official, who is materially involved in the procurement, administration or performance of this

Contractor Initials RS
Date 5/11/17

Agreement. This provision shall survive termination of this Agreement.

7.3 The Contracting Officer specified in block 1.9, or his or her successor, shall be the State's representative. In the event of any dispute concerning the interpretation of this Agreement, the Contracting Officer's decision shall be final for the State.

8. EVENT OF DEFAULT/REMEDIES.

8.1 Any one or more of the following acts or omissions of the Contractor shall constitute an event of default hereunder ("Event of Default"):

8.1.1 failure to perform the Services satisfactorily or on schedule;

8.1.2 failure to submit any report required hereunder; and/or

8.1.3 failure to perform any other covenant, term or condition of this Agreement.

8.2 Upon the occurrence of any Event of Default, the State may take any one, or more, or all, of the following actions:

8.2.1 give the Contractor a written notice specifying the Event of Default and requiring it to be remedied within, in the absence of a greater or lesser specification of time, thirty (30) days from the date of the notice; and if the Event of Default is not timely remedied, terminate this Agreement, effective two (2) days after giving the Contractor notice of termination;

8.2.2 give the Contractor a written notice specifying the Event of Default and suspending all payments to be made under this Agreement and ordering that the portion of the contract price which would otherwise accrue to the Contractor during the period from the date of such notice until such time as the State determines that the Contractor has cured the Event of Default shall never be paid to the Contractor;

8.2.3 set off against any other obligations the State may owe to the Contractor any damages the State suffers by reason of any Event of Default; and/or

8.2.4 treat the Agreement as breached and pursue any of its remedies at law or in equity, or both.

9. DATA/ACCESS/CONFIDENTIALITY/PRESERVATION.

9.1 As used in this Agreement, the word "data" shall mean all information and things developed or obtained during the performance of, or acquired or developed by reason of, this Agreement, including, but not limited to, all studies, reports, files, formulae, surveys, maps, charts, sound recordings, video recordings, pictorial reproductions, drawings, analyses, graphic representations, computer programs, computer printouts, notes, letters, memoranda, papers, and documents, all whether finished or unfinished.

9.2 All data and any property which has been received from the State or purchased with funds provided for that purpose under this Agreement, shall be the property of the State, and shall be returned to the State upon demand or upon termination of this Agreement for any reason.

9.3 Confidentiality of data shall be governed by N.H. RSA chapter 91-A or other existing law. Disclosure of data requires prior written approval of the State.

10. TERMINATION. In the event of an early termination of this Agreement for any reason other than the completion of the Services, the Contractor shall deliver to the Contracting Officer, not later than fifteen (15) days after the date of termination, a report ("Termination Report") describing in detail all Services performed, and the contract price earned, to and including the date of termination. The form, subject matter, content, and number of copies of the Termination Report shall be identical to those of any Final Report described in the attached EXHIBIT A.

11. CONTRACTOR'S RELATION TO THE STATE. In the performance of this Agreement the Contractor is in all respects an independent contractor, and is neither an agent nor an employee of the State. Neither the Contractor nor any of its officers, employees, agents or members shall have authority to bind the State or receive any benefits, workers' compensation or other emoluments provided by the State to its employees.

12. ASSIGNMENT/DELEGATION/SUBCONTRACTS. The Contractor shall not assign, or otherwise transfer any interest in this Agreement without the prior written notice and consent of the State. None of the Services shall be subcontracted by the Contractor without the prior written notice and consent of the State.

13. INDEMNIFICATION. The Contractor shall defend, indemnify and hold harmless the State, its officers and employees, from and against any and all losses suffered by the State, its officers and employees, and any and all claims, liabilities or penalties asserted against the State, its officers and employees, by or on behalf of any person, on account of, based or resulting from, arising out of (or which may be claimed to arise out of) the acts or omissions of the Contractor. Notwithstanding the foregoing, nothing herein contained shall be deemed to constitute a waiver of the sovereign immunity of the State, which immunity is hereby reserved to the State. This covenant in paragraph 13 shall survive the termination of this Agreement.

14. INSURANCE.

14.1 The Contractor shall, at its sole expense, obtain and maintain in force, and shall require any subcontractor or assignee to obtain and maintain in force, the following insurance:

14.1.1 comprehensive general liability insurance against all claims of bodily injury, death or property damage, in amounts of not less than \$1,000,000 per occurrence and \$2,000,000 aggregate ; and

14.1.2 special cause of loss coverage form covering all property subject to subparagraph 9.2 herein, in an amount not less than 80% of the whole replacement value of the property.

14.2 The policies described in subparagraph 14.1 herein shall be on policy forms and endorsements approved for use in the State of New Hampshire by the N.H. Department of Insurance, and issued by insurers licensed in the State of New Hampshire.

14.3 The Contractor shall furnish to the Contracting Officer identified in block 1.9, or his or her successor, a certificate(s) of insurance for all insurance required under this Agreement. Contractor shall also furnish to the Contracting Officer identified in block 1.9, or his or her successor, certificate(s) of insurance for all renewal(s) of insurance required under this Agreement no later than thirty (30) days prior to the expiration date of each of the insurance policies. The certificate(s) of insurance and any renewals thereof shall be attached and are incorporated herein by reference. Each certificate(s) of insurance shall contain a clause requiring the insurer to provide the Contracting Officer identified in block 1.9, or his or her successor, no less than thirty (30) days prior written notice of cancellation or modification of the policy.

15. WORKERS' COMPENSATION.

15.1 By signing this agreement, the Contractor agrees, certifies and warrants that the Contractor is in compliance with or exempt from, the requirements of N.H. RSA chapter 281-A (*"Workers' Compensation"*).

15.2 To the extent the Contractor is subject to the requirements of N.H. RSA chapter 281-A, Contractor shall maintain, and require any subcontractor or assignee to secure and maintain, payment of Workers' Compensation in connection with activities which the person proposes to undertake pursuant to this Agreement. Contractor shall furnish the Contracting Officer identified in block 1.9, or his or her successor, proof of Workers' Compensation in the manner described in N.H. RSA chapter 281-A and any applicable renewal(s) thereof, which shall be attached and are incorporated herein by reference. The State shall not be responsible for payment of any Workers' Compensation premiums or for any other claim or benefit for Contractor, or any subcontractor or employee of Contractor, which might arise under applicable State of New Hampshire Workers' Compensation laws in connection with the performance of the Services under this Agreement.

16. WAIVER OF BREACH. No failure by the State to enforce any provisions hereof after any Event of Default shall be deemed a waiver of its rights with regard to that Event of Default, or any subsequent Event of Default. No express failure to enforce any Event of Default shall be deemed a waiver of the right of the State to enforce each and all of the provisions hereof upon any further or other Event of Default on the part of the Contractor.

17. NOTICE. Any notice by a party hereto to the other party shall be deemed to have been duly delivered or given at the time of mailing by certified mail, postage prepaid, in a United States Post Office addressed to the parties at the addresses given in blocks 1.2 and 1.4, herein.

18. AMENDMENT. This Agreement may be amended, waived or discharged only by an instrument in writing signed by the parties hereto and only after approval of such amendment, waiver or discharge by the Governor and Executive Council of the State of New Hampshire unless no

such approval is required under the circumstances pursuant to State law, rule or policy.

19. CONSTRUCTION OF AGREEMENT AND TERMS.

This Agreement shall be construed in accordance with the laws of the State of New Hampshire, and is binding upon and inures to the benefit of the parties and their respective successors and assigns. The wording used in this Agreement is the wording chosen by the parties to express their mutual intent, and no rule of construction shall be applied against or in favor of any party.

20. THIRD PARTIES. The parties hereto do not intend to benefit any third parties and this Agreement shall not be construed to confer any such benefit.

21. HEADINGS. The headings throughout the Agreement are for reference purposes only, and the words contained therein shall in no way be held to explain, modify, amplify or aid in the interpretation, construction or meaning of the provisions of this Agreement.

22. SPECIAL PROVISIONS. Additional provisions set forth in the attached EXHIBIT C are incorporated herein by reference.

23. SEVERABILITY. In the event any of the provisions of this Agreement are held by a court of competent jurisdiction to be contrary to any state or federal law, the remaining provisions of this Agreement will remain in full force and effect.

24. ENTIRE AGREEMENT. This Agreement, which may be executed in a number of counterparts, each of which shall be deemed an original, constitutes the entire Agreement and understanding between the parties, and supersedes all prior Agreements and understandings relating hereto.

Contractor Initials RCC
Date 5/11/17

EXHIBIT A

SCOPE OF SERVICES

1. National Medical Services Labs as "Contractor" will provide toxicology testing and related medical laboratory tests as directed by the State of New Hampshire, Department of Justice Chief Medical Examiner as "State" including without limitation:
 - 1a. Perform testing as requested.
 - 1b. Provide the requisite interpretive reports.
 - 1c. The Contractor routinely maintains forensic specimens for six (6) weeks after issuance of report. Storage beyond routine retention time or return of sample may be provided and may be billed as mutually agreed upon between Contractor and State.
 - 1d. Provide routine litigation assistance, including supporting deposition and expert testimony as needed. The State will provide written prior notice to the Contractor Lab Director when such services are requested. On receipt of such notice the Contractor Lab Director shall issue an additional or confirming opinion.
 - 1e. Perform related duties pursuant to established Contractor policies and procedures, including the most current National Medical Services Directory of Services and as directed by State.
2. Contractor will provide collection kits, evidence seals, chain of custody forms and overnight courier shipping supplies. Contractor will bear the expense of specimens from the State by providing prepaid courier air bills. Kits and supplies from Contractor will preserve the chain of custody and specimen integrity.
3. All Contractor correspondence and submittals shall be directed to:
State of New Hampshire
Department of Justice
Office of Chief Medical Examiner
250 Pleasant Street, CME 2nd Floor Suite 218
Concord NH 03301
603-271-1235

Contractor Initials: PC

Date: 5/11/17

EXHIBIT B

CONTRACT PRICE, METHOD OF PAYMENT AND TERMS OF PAYMENT

1. The Contractor shall receive monthly payments upon receipt of invoice in return for services as described in "EXHIBIT A".
2. The State's obligation to compensate and reimburse the Contractor under this Agreement shall not exceed the price limitation set forth in form P-37 section 1.8.
3. Final Payment for services will be made within thirty (30) days following receipt of all required reports to the State as described in "EXHIBIT A". Said payment shall be made out to the Contractor's accounts receivables address per the Financial System for the State of New Hampshire.

Contractor Initials: PC

Date: 5/11/17

EXHIBIT C
SPECIAL PROVISIONS

1. There are no other special provisions of this contract.

Contractor Initials: *RC*

Date: 5/11/17

State of New Hampshire

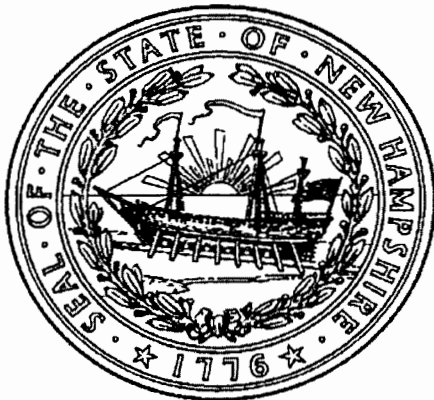
Department of State

AMENDED CERTIFICATE OF AUTHORITY OF NATIONAL MEDICAL SERVICES, INC.

The Secretary of State of the State of New Hampshire hereby certifies that an Application of **NATIONAL MEDICAL SERVICES, INC.** for an Amended Certificate of Authority to transact business in this State, duly signed pursuant to the provisions of the New Hampshire Business Corporation Act, has been received in this office.

ACCORDINGLY the undersigned, by virtue of the authority vested in him by law, hereby issues this Amended Certificate of Authority to **NATIONAL MEDICAL SERVICES, INC.** to transact business in this State under the name of **NATIONAL MEDICAL SERVICES, INC.** and attaches hereto a copy of the Application for such Amended Certificate.

Business ID: 544514



IN TESTIMONY WHEREOF,
I hereto set my hand and cause to be affixed
the Seal of the State of New Hampshire,
this 15th day of May A.D. 2017.

A handwritten signature in cursive script, appearing to read "William M. Gardner".

William M. Gardner
Secretary of State

CERTIFICATE OF VOTE
(Corporation without Seal)

I, Andrew Nolan, do hereby certify that:
(Name of Clerk of the Corporation; cannot be contract signatory)

1. I am a duly elected Clerk of NMS Labs.
(Corporation Name)
2. The following are true copies of two resolutions duly adopted at a meeting of the Board of Directors of the Corporation duly held on April 2, 2014:
(Date)

RESOLVED: That this Corporation enter into a contract with the State of New Hampshire, acting through its Department of ~~Health and Human Services~~ JUSTICE, for the provision of Laboratory Testing services.

RESOLVED: That the President & CEO
(Title of Contract Signatory)

is hereby authorized on behalf of this Corporation to enter into the said contract with the State and to execute any and all documents, agreements and other instruments, and any amendments, revisions, or modifications thereto, as he/she may deem necessary, desirable or appropriate.

3. The forgoing resolutions have not been amended or revoked, and remain in full force and effect as of the 11 day of May, 2017.
(Date Contract Signed)

4. Pierre G. Cassigneul is the duly elected
President & CEO
(Name of Contract Signatory) (Title of Contract Signatory)

of the Corporation.

Pennsylvania
STATE OF ~~NEW HAMPSHIRE~~

County of Montgomery

[Signature]
(Signature of Clerk of the Corporation)

The forgoing instrument was acknowledged before me this 11th day of May, 2017.

By Andrew Nolan
(Name of Clerk of the Corporation)

[Signature]
(Notary Public/Justice of the Peace)

(NOTARY SEAL)

Commission Expires: 11/17/2020

